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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
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INTELLIGENCE MEMORANDUM

Arab-Israeli Situation Report
(As of 12:00 NOON EDT)

1. Both Israel and Egypt accused each other of violating the ceasefire yesterday, in what the Israeli government described as a "small engagement" at Ras al-Ushsh, some 10 miles south of Port Said on the Suez Canal. According to the Israeli government, two Egyptian platoons, accompanied by half-tracks and supported by mortar fire and some air activity, crossed the canal and engaged an Israeli patrol. The US Embassy in Tel Aviv reports, however, that the Israelis assess the Egyptian action as related to the General Assembly meeting and are not inclined to regard the incident as serious. Since the area in question is a narrow spit of land barely wider than a road, and entirely surrounded by water and marshland, it seems highly unlikely that the Egyptians chose it as the site of a major penetration of Israeli defenses. It seems more probable that the Israelis stumbled upon a pocket never evacuated by the Egyptians and decided to clean it out, or that the Egyptians were engaging in a gesture for propaganda purposes. Two other brief exchanges of fire were reported this morning, one at the scene of yesterday's incident and the other further south near the town of Qantara.

2. Twelve Arab countries have agreed to attend an Arab summit meeting in the Sudan on 15 July according to press reports from Khartoum. Syria has reportedly not yet agreed to attend the summit, which is expected to be arranged at an Arab Foreign Ministers meeting in Khartoum on 10 July. If the meeting is held, the main topic of discussion will likely be what concerted actions the Arab states should take in the wake of the recent war. The meeting, however, is not likely to be a smooth one.

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3. In addition to the mandatory departure of all British official dependents, all British civilians have been advised to leave Aden by 10 July. Many other Europeans are also expected to leave. Some British firms hope to "stick it out", but the Peninsular and Oriental steamship line has deleted Aden from its ports of call and British Petroleum may close down if the terrorism continues at the present level. The US Consulate-General describes the situation as one of "creeping chaos."

4. Abd al-Qadir Al-Badri was yesterday appointed to replace Husayn Maziq as Libya's prime minister. Al-Badri had served in Maziq's cabinet as Minister of Housing and State Property and is a comparative nonentity. No other changes were effected in yesterday's royal decree, but the new premier, a Tripolitanian, will probably carry out further cabinet reshuffles.

5. Despite every effort by the supporters of the nonaligned and Latin American resolutions to garner the necessary two-thirds vote for their respective proposals, Monday's voting may well produce a stand off. Both resolutions are expected to receive a majority, but each may be blocked from attaining the necessary margin by the supporters of the other resolution.

6. The nonaligned resolution, which calls for complete Israeli withdrawal before the initiation of any related peace moves, is opposed by almost all of the Latin Americans, many Western Europeans, and a scattering of nations from other parts of the world. Some of the French-speaking African states--whose stance on the two resolutions is vital--will support the nonaligned resolution, but a majority will probably abstain. A few may vote against it. The French, who will vote for the nonaligned draft, have been pressuring the French-speaking African states delegations to follow their lead. Paris' efforts may have swayed a few votes, but do not appear to have swung this bloc as a whole in favor of the nonaligned resolution.

7. The impact of the amendments offered on Friday by the sponsors of the nonaligned draft in an effort to make their proposals more appealing to some African and Asian nations was offset by the introduction of the moderate Latin American resolution. The nonaligned amendments called for Israeli withdrawal to positions held at the outbreak

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of the current fighting instead of behind the armistice lines. They also called on the Secretary General to be "in contact with the parties concerned in dealing with the problems of the area."

8. The LA resolution requests Israel to withdraw its forces from Arab lands occupied during the recent conflict and asks all parties to end the state of belligerency. It calls on the Secretary General to work with the parties and to rely on the presence of the UN to carry out those provisions, to guarantee transit of the international waterways in the area, to solve the problem of refugees, and to guarantee the political independence of the states in the area through measures including the establishment of demilitarized zones. Some of the moderate Asian and African states, who will abstain on the nonaligned resolution, are expected to vote for the LA proposal. The opposition of the sponsors and hard core supporters of the nonaligned draft seems sufficiently strong, however, to prevent passage of the LA resolution.

9. There were indications on Friday that the UK would abstain on the nonaligned resolution. Lord Caradon has since told Ambassador Goldberg, however, that he was recommending a "no" vote on the nonaligned resolution and a "yes" vote on the LA text and had no reason to believe this recommendation would not be accepted.

10. There are four other resolutions on the agenda. Three of these--a US resolution calling for Israeli-Arab negotiations, a Soviet resolution condemning Israel and ordering an immediate Israeli withdrawal and Israeli payment of war reparations, and an Albanian resolution linking the US and Britain to the war--are not expected to be brought to a vote by their sponsors. A Pakistani resolution, calling on Israel to rescind all measures already taken and to take no further action which would alter the status of Jerusalem, appears to stand a good chance of approval.

11. The prospects of a stand off has produced some efforts to reach a compromise. The French, for example, appear to be encouraging members of the two sponsoring groups to develop a new text, but there is little enthusiasm for such an effort. It is the USUN mission's assessment that an unbridgable gap exists between the

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concept of unconditional withdrawal and the concept of withdrawal related to other elements. The mission feels that the only concrete conclusion of the General Assembly might be a resolution urging the appointment of an emissary of the Secretary General to proceed to the area. The mission's soundings of the WE representatives on this alternative produced some feeling that this, too, could fail to get two-thirds and perhaps should be saved for a return to the less emotional atmosphere of the Security Council.

12. Soviet Premier Kosygin's visit with DeGaulle yesterday, like the earlier one the Soviet Premier paid on his way to New York, was largely a gesture designed to avoid or ameliorate any adverse French reaction to Soviet emphasis on close consultations with the US during the Middle East conflict. Soviet actions during the crisis (the preemptory treatment of DeGaulle's proposal for four-power talks) underlined Moscow's view that France's role was negligible. The Kosygin stop-overs in Paris and use of the "green phone," however, indicate Moscow's desire not to let its stance on the Middle East dim the lustre of a "special" Franco-Soviet relationship.

13. Soviet President Podgorny, who recently held three days of talk with Nasir in Cairo, arrived in Damascus yesterday with a delegation including Deputy Foreign Minister Malik and Deputy Defense Minister Sokolov. His mission is likely to include considerable substantive discussion, especially on the question of future arms supplies. He also can be expected to assess Syrian attitudes toward Israel and to try to get a reading on President Al-Atasi's current political position. Soviet news media already have begun to trumpet Podgorny's trip as a "stirring and bright demonstration of Soviet-Syrian friendship."

14. Marshal Zakharov, Soviet Army Chief of Staff, also returned to Moscow yesterday after a sixteen-day visit to the UAR to assess the present Arab military posture and probably to determine future Egyptian needs. There have been indications that Moscow did not want Egyptian news media to make too much of the presence of Zakharov and his military delegation, and the terseness and blandness of Cairo's announcement of his departure probably reflects that policy. Nevertheless, the nature

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of the announcement also suggests that Zakharov's visit, while not unsuccessful, was at least inconclusive.

15. Given numerous indications of Soviet dissatisfaction with the Arab military performance, it is likely that Moscow will want future aid commitments accompanied by more effective Soviet control, especially closer supervision of training and greater assurance that the equipment will be used and maintained more effectively. It seems clear, however, that questions concerning future Soviet military aid have yet to be answered in Moscow; there still is no evidence that the Soviets intend to become directly involved militarily in the Middle East.

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